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Financial Supplement

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The Outlook

Prospects of industrial and financial recovery are still clouded by the political uncertainty that continually postpones the day when our producers and distributors can get to work with a reasonable chance of not having their calculations upset by domestic and international shocks. Until the Irish question is settled and real peace is secured in Europe and in other parts of the world, there is little hope of genuine revival of trade and business. In the meantime the politicians instead of trying to do the task for which they are put into office—of securing social and international security and stability—continue to hamper trade by silly attempts at Protection; and by a scale of taxation, due to extravagant expenditure, which is a serious bar to enterprise. There are faint indications that trade would mend if it had a fair chance, but the possibility of its getting that chance remains distressingly doubtful. Some well-informed observers hope that we are now " bumping at the bottom " of the depression, but others still maintain that there is no sign of real recovery and that we have yet to face much discomfort and disappointment.

Government Finance

Sir Robert Horne's statement in the House of Commons on Tuesday last concerning Budget prospects for next year was a satisfactory recognition of the facts of the case. The Government's many political critics seized upon the statement to show that the estimates given by the Chancellor at the time of the Budget speech have already been hopelessly falsified and how right they had been from the first in maintaining that these estimates could not possibly be realised. As usual, thanks to their habit of reading figures in the light of political bias they prove a good deal too much. In making his statement Sir Robert Horne was referring chiefly to the prospects of the Budget for next year. He was resisting a proposal to increase the donation in respect of the children of unemployed workpeople from one shilling to two per week. This was a proposal which the sentiment of the House naturally encouraged it to accept, just as all kindly-minded people would be willing to diffuse general prosperity if it could really be secured by making presents of other people's money to those who are unable to earn it. Unfortunately this is not the way to secure general prosperity and the present state of the national finances makes it imperative that the sum of £1,700,000 which would have been required by the increase must be saved. On this occasion the Chancellor certainly showed considerable courage and disregard of the good nature for which he is notorious in resisting a proposal for which there is so much to be said. In doing so he asked the House to keep firmly in mind that next year we are going to have a very depleted revenue, that taxation could not be increased, since the burden of taxation was already one of the most pregnant causes of unemployment, and that the only alternative to retrenchment was borrowing.

The Week's Accounts

Last week's statement of Revenue and Expenditure again showed that the general revenue of the country, as tested by Income Tax, Customs and Excise, continues to come in remarkably well. Excess Profits Duty and Miscellaneous Receipts are still very dispirited laggards and seem likely to limp haltingly for some time to come. But it is much too early to crow over the Chancellor as having been all wrong when he brought in his Budget. He could not foresee the coal stoppage or its disastrous length or its appalling consequences on the industry of the country, which, combined with the continued depression in overseas markets, has necessitated the present expenditure on unemployment purposes for which a supplementary estimate of over £8 millions net has been issued this week. The actual results of the current year depend largely on the pace at which Income Tax is collected in the last quarter of the financial year and the performance to date of this tax looks as if it may be favourable. In the meantime, largely thanks to the general depression and distrust, the Government is finding an excellent market for issues that it makes. Twenty millions nominal of Local Loans stock was placed with surprising ease, and the total of Treasury Bonds sales showed in the Exchequer return was nearly £11 millions as compared with less than £2¾ millions in the previous week. Thanks to a substantial excess of Treasury Bill sales over maturities and a considerable increase in advances from public departments, Ways and Means advances from the Bank of England were brought down by £22¾ millions. They still, however, stand above £50 millions—a total which is by no means satisfactory in view of the considerable addition to them which is likely to be necessitated by the payment of the War Loan interest next month.

Bank Rate Reduced

Expectations of an early reduction in Bank Rate were again current in the first days of the week and this hope became stronger when it was known that the Federal Reserve Bank of New York had on Wednesday brought its rate of re-discount down from 5 to 4½%. It has, we believe, been the official view that seeing that England is the debtor and America the creditor London ought not to be the cheaper market for credit or investment at this time, but that its Bank Rate should be kept above that of New York. There would have been a good deal to be said for this view if Bank Rate had been anything like effective; but since the Treasury, by its curious policy with regard to the number of Treasury Bills that it offered for tender, had allowed the rate for Treasury Bills to fall nearly 2% below Bank Rate, and since the Treasury Bill rate is now the chief influence on the market rate for commercial bills, Bank Rate had become merely an empty symbol, as far as the price of credit in London was concerned, while it imposed an unnecessary burden upon industry owing to the large number of industrial advances which are regulated by it. As to the price of investment capital, Bank Rate has still less effect, and London has, in fact, been the cheaper investment market throughout, as was lately shown when

Queensland had to pay over 7% for accommodation from American investors. This, however, is believed to have been the reason for the extraordinary slowness of the Bank of England in following the downward movement of the outside market. At last, however, reduction in New York has given it the required opportunity and the rate was brought down last Thursday to 5%, being followed as usual by corresponding reductions in the published deposit rates of the banks and discount houses.

MONEY AND EXCHANGES

Having merely corrected an anomalous position, the reduction in the Bank Rate had little or no effect on market rate for money or discount. The Bank of England's weekly return showed declines of 29 millions in the Government securities and 35 millions in other deposits, which include the balances of the other banks. With such a slice as this cut out of the basis of credit the superstructure could not help shrinking and the state of exaggerated superfluity, which had only been created because the Treasury did not issue enough bills to meet its maturities, gave way to a condition of something like stringency. As long as the money market is thus dominated by the Treasury bill position, and the vagaries of the Treasury in dealing with it, it is extraordinarily difficult to arrive at anything like a reasonable view concerning monetary prospects. For the present, however, the appearances are in favour of moderate stringency, as long as the Government can continue to sell Treasury bonds fast enough to enable it to reduce the volume of Ways and Means advances, until the big interest payment in December necessitates a fresh creation of them. In the foreign exchanges the renewed weakness of the German mark has been the centre of attention. Expectations of its further depreciation—in the absence of Reparation revision—are now so general, that they may help to steady it a little by giving it the protection of a "bear account."

DEAD ALIVE STOCK MARKETS

Stock Markets were closed, as usual, on November 1 and were chiefly asleep when they were open. The public still buys gilt-edged securities greedily and digests them at a pace that astonishes those who feed it; but it will not look at the more spicy form of diet. The Local Loans success—so marked that operations by a syndicate were suspected—made the cold reception given to Pearson & Knowles Debenture issue all the more striking. Among Foreign issues Brazilian bonds were rather favoured by Stock Exchange gossip, but Chinese issues were depressed by reports of a default alleged to have been made by China on some obligation in New York. Russian bonds hardened on the Soviet's expression of readiness to recognize the Tzarist debt contracted before 1914, which was taken as, at least, a step in the right direction. Speculative markets were quite uninteresting, but there was some recovery in oil shares, chiefly owing to the statistical position of the industry. According to a Dow Jones circular, August was the first month this year to show a fall in total stocks of crude and refined oil. It was also the month of largest consumption and smallest supply.

SCHEMES FOR EUROPE'S RESCUE

IN a very interesting article contributed to the November issue of the *English Review*, under the title of 'The Crux of the Reparation Problem,' Professor M. J. Bonn, a well-known German authority, makes an ingenious effort to solve this problem. He sums up as follows the effects upon German exchange, and through it, on all the interests which it affects, of the reparation payments as at present adopted:—"This downward movement cannot come to a standstill, for whenever things have settled down somehow, a new Reparation instalment falls due, and exchange tends to a new lower level. A big—transitory—premium is given to German exports; valuta-dumping begins afresh, disturbing foreign markets; tariff legislation is introduced, anti-dumping Bills are passed, or if already in existence are being applied. German imports are forbidden. Prices rise in Germany, and another step in the social revolution, destroying the old established society in Central Europe, is reached." Professor Bonn goes on to contend that what he calls the "minimalisation" of the fall in the mark must somehow be secured; that is to say that there must be a level below which it cannot fall—and that there are two ways of doing this. The first that the yearly reparation payments might simply be reduced so as to be within the limits of Germany's capacity to pay. This alternative, which seems to be the obvious one to the ordinary mind, Professor Bonn does not discuss, on the ground that France and Belgium are dependent on their payments and that it is almost impossible to state Germany's real capacity at present. He therefore proposes that the German payments should be deferred or "funded" and added to the capital to be paid later on. But since the nations entitled to receive them, especially France, are not in a position to postpone their demands, somebody else must advance the cash with which Germany can pay France. The only country in a position to do this is, in Professor Bonn's opinion, the United States, but he himself admits that the United States are not likely to do it. "They are simply sick of Europe just now and not inclined to throw good money after bad." Professor Bonn proceeds to propose that international money should be created, to be accepted at its face value by all Governments or by central banks; "it must be Government money only, i.e., it ought not to be legal tender in private life." But it might be used as a special reserve against which the different Governments or the different banks could issue notes. He sees that this scheme means pure inflation and concerning the "dire consequences" of inflation he has no illusions. But he thinks by the creation of this international money—to be called gold certificates—the reparation problem might be solved. But is this so? He suggests that 50 billion gold marks' worth of these certificates should be handed to the Allies; France "would receive cash which she could use to clear off her international obligations, thereby easing and fixing her exchanges," and England and the United States would be the ultimate receivers of the bulk of these certificates. If they did not want to use them for payments or loans abroad, or for the issue of corresponding currency at home, they would have to keep them in their vaults until redeemed.

But he has just told us, as quoted above, that the United States are simply sick of Europe just now, and they would certainly have "some" reason for being still more so if they were asked to come into a scheme which would enable all their European debtors to send them shiploads of international "money," apparently to be secured by nothing but Germany's ability to redeem it some day. It is provided by the scheme that Germany will be bound to redeem annually a certain proportion of these gold certificates by handing in gold bills created by the sale of German goods. But the Americans will very naturally want to know how rapidly these payments will be made and whether the attempts to make them would not simply revive all the present difficulties of the German reparation payments. Failing the United States, it would seem that this capitalisation programme would mean that our Allies would come down upon us for the payment of the capitalised value of the German indemnity to the extent of the scope of this scheme, that is, to the tune of £2,500 millions gold, less our proportionate share. Our Government would find itself the holder of a mass of German promises to pay, adorned by the privilege of serving as backing for notes issued against them—a privilege which seems to have little value, since the Government has never shown any modesty about issu-

ing as many notes as it was asked for, on the security of its own obligations. Would a Bradbury be really a better form of money, because some German gold certificates were added to the medley of gold, silver, Bank of England notes, and British Government securities behind it? That German certificates might be used by our Allies to effect a repayment of their debts to us may very well be argued, and it would be at once a politic and businesslike action on our part to accept these cêrtificates as a form of payment from our Allies, thus cancelling their debt as we ought to have done long ago—and then tear up the German bonds. But this process would not supply our Allies with any cash and would only relieve them from an obligation which is probably not now taken very seriously either by creditor or debtor. But few will be found to contend that this country could afford in the present state of our finances not only to excuse our Allies from debts, but also to pay them their share of the German indemnity. It therefore appears that except as a scheme for the wiping out of inter-allied debts Professor Bonn's scheme is ingenious rather than practicable, and that we should fall back upon his first alternative of a reduction of the amount which Germany is now called upon to pay, limiting it to an amount varying with the extent of Germany's export trade, or with any other better test that can be agreed upon and making the proportion small at present, but with the stipulation that it would gradually rise as the volume of exports, or whatever test be selected, expands in future.

In the meantime Mr. Frank Vanderlip has put forward a scheme for the establishment of what he calls "A Gold Reserve Bank of the United States of Europe" with a capital of one billion dollars in gold; it would provide capital for "Gold Reserve national banks" to be set up in any European countries that invited their establishment; these banks would issue notes and take deposits, and make advances, but would deal only with incorporated commercial banks and not with individuals. For our present purpose the scheme is chiefly interesting from the fact that Mr. Vanderlip considers that the bulk of the initial subscriptions would come from America. It thus appears that, in his opinion, America is not quite as "sick of Europe" as Professor Bonn believes it to be. He may be right, but if it were a question of finding a billion dollars to be invested in a bank to carry on business in impoverished Europe, we fear that Professor Bonn's contention would be found to be nearer to the truth than Mr. Vanderlip's. If not, if America is really ready to subscribe such a sum for European enterprise, is it necessary to found such a bank instead of making the investment through the usual channels? Mr. Vanderlip says that European nations cannot borrow in America "with the credit they present in the form of ordinary national obligations," but that his plan "offers a security which would be regarded by American investors as an underlying one." There may be some foundation for this belief, but it seems to credit the American investor with a keener appreciation of financial subtleties than is usually found in his British counterpart.

BANKING IN WAR AND PEACE

IN certain circles it is customary to blame financiers and the financial machine as sinister influences that stir up strife between the nations and make huge profits out of fishing in the troubled waters of international conflict. We believe that even concerning finance as a whole this is largely a mythical assumption very similar to the assertion that capitalism breeds militarism, though everyone knows that militarism, in one form or another, is as old as history and a good deal older, while capitalism in the accepted sense of the word is a growth of the last 150 years. The financier is usually a somewhat sedentary, sad-eyed person, all the more vulnerable in his pocket by war because his interests and risks are spread all over the world. As Shylock says of Antonio, "his means are in supposition: he hath an argosy bound to Tripolis, another to the Indies; I understand moreover upon the Rialto, he hath a third at Mexico, a fourth for England; and other ventures he hath, squander'd abroad." To such a man, when war is added to the other menaces that always threaten his ventures, the usual uncertainties and anxieties become crystallized into the certainty of dislocation and loss. It is true that the financier, being a good and versatile tradesman, is always ready to meet his customers' wishes. If they want armaments and destructive weapons, he will see that the necessary credit and capital is available for their production and make his profit on the business. But what really makes him happy is humming trade, hungry markets, steady prices with a slight upward bent, and a quick and even movement of production and consumption. He helps to give the public what it wants, and if it is stupid to want to cut itself to pieces and bomb itself to bits, he will provide the wherewithal; but he is not foolish enough to instigate it to these follies because he knows that they do not pay in the long run and he can only live on its prosperity.

If these things are true of financiers in general, they are still more so of bankers, whose business is not only upset and disturbed, but totally demoralised by war on a great scale. In the Napoleonic War the Bank of England was forbidden to meet its notes in gold, chiefly because all the gold that could be spared was needed for hiring our Continental Allies to fight for their own freedom against the Corsican. In the late war we maintained the fiction of the convertibility of the Banknote, with the assistance of Admiral Tirpitz and his submarines, who made gold shipments so risky and costly a luxury that they were not worth attempting. But war demoralised our banking system by the introduction of the Treasury note, and though both it and the Bank note are still ostensibly convertible, the prohibition of gold exports, except under licence, has made this convertibility a farce and put us, in fact, on to a paper basis. At the same time the ordinary banks, other than the Bank of England, were throughout the war bullied by the Chancellor of the Exchequer into subscribing for war securities that they did not want because they knew that they would be hard to convert into cash when peace came and the banks had to get back to their true and legitimate business of financing trade and industry. They were also urged to lend money to customers so that they might lend it to the Government and then save money to pay it back to the banks. This would have been quite legitimate and pleasant if the customers had carried out the second part of the programme quickly, but many of them were very slow about it, and so the bankers found themselves with another asset that was not easy to realise. When peace came and there was a great industrial revival and customers were all clamouring for credit for carrying out "enterprises of great pith and moment," the bankers were bullied by the Chancellor of the Exchequer because he thought that credit ought to be restricted and because, as fast as he tried to do so, the bankers spoilt his deflation policy by expanding it. And now the wind is on the other cheek, as banks are once more being abused for not being sufficiently venturesome, at a time when no sane person would think of indulging in unnecessary hazards, seeing that the muddling politicians are about to celebrate the third anniversary of peace, in brazen disregard of the fact that the world is now in a much worse temper than when the war was at its hottest. In the meantime, owing to the depreciation of the currency due to bad war finance, the banks have to handle double the pre-war turnover to finance a greatly diminished trade. If war and after-war experience has not made all bankers pacifists, they must be a most unimpressionable set of gentlemen.

FIGURES AND PRICES

GOVERNMENT DEBT (in thousands)

	Oct. 29, '21.	Oct. 22, '21.	Oct. 30, '20.
	£	£	£
Total deadweight	7,731,593	7,734,000	7,733,375
Owed abroad	1,137,674	1,137,674	1,113,134
Treasury Bills	1,123,977	1,119,330	1,084,629
Bank of England Advances	51,000	73,750	56,250
Departmental do.	162,758	156,958	185,114

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched 8,033 millions. On March 31 last it was 7,574 millions. Of the increase shown since then 102 millions represent a nominal addition, due to a conversion scheme.

GOVERNMENT ACCOUNTS (in thousands)

	Oct. 29, '21.	Oct 22, '21.	Oct. 30, 20.
	£	£	£
Total Revenue from Ap. 1	527,719	513,991	726,531
,, Expenditure ,, ,,	582,854	571,700	631,127
Surplus or Deficit	—55,135	—57,709	+ 95,404
Customs and Excise ...	186,733	182,022	188,976
Income and Super Tax ...	155,614	153,737	139,529
Stamps	8,568	8,236	14,892
Excess Profits Duties ...	29,714	29,714	125,300
Post Office	27,500	26,250	27,250
Miscellaneous—Special ..	58,133	55,317	180,357

BANK OF ENGLAND RETURNS (in thousands)

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
	£	£	£
Public Deposits	16,250	13,533	18,143
Other ,, ...	125,652	161,505	115,135
Total	141,902	175,038	133,278
Government Securities	56,944	87,576	63,973
Other ,, ...	80,913	82,203	73,870
Total	137,857	169,779	137,843
Circulation	125,411	123,916	128,437
Do. less notes in currency res.	105,691	104,466	109,687
Coin and Bullion	126,602	128,414	123,146
Reserve	21,726	22,947	13,158
Proportion	15.3%	13.1%	9⅝%

CURRENCY NOTES (in thousands)

	£ Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
		£	£
Total outstanding	313,655	311,575	355,985
Called in but not canclld.	1,830	1,838	3,030
Gold backing	28,500	28,500	28,500
B. of E. note	19,450	19,450	18,750
Total fiduciary issue ...	263,875	261,787	305,705

NOTE.—The maximum fiduciary issue for 1921 has been officially " fixed " at £317,555,200.

NOTES IN CIRCULATION (in Millions).

		37/8 Latest.	Mar. 31, 1921.	Sept. 20, 1920.
EUROPEAN COUNTRIES.				
Austria	Kr.	73,792	41,067	22,272
Belgium	Fr.	6,109	6,105	5,845
Bulgaria	Leva (Bank)	3,194	3,217	3,456
,,	,, (State)	217	245	475
Czecho-Slovakia	Kr.	11,295	10,922	10,310
Denmark	Kr.	482	517	559
Finland	Mk.	1,383	1,476	1,302
France	Fr.	37,155	38,435	39,208
Germany	Mk.	88,144	69,417	61,735
Great Britain	£'s (B.ofE.)	104	110	109
,,	,, (State)	312	344	354
Greece	Dr.	1,877	1,603	1,491
Holland	Gldn. (Bank)	1,021	1,025	1,084
Hungary	Kr.	21,845	15,650	11,889
Italy	Lire (Bank)	17,814	18,764	18,912
,,	,, (State)	2,269	2,269	2,269
Norway	Kr.	407	433	478
Poland	Mk.	152,800	74,087	33,204
Portugal	Escudos	666	635	533
Roumania	Lei	12,350	11,005	7,867
Spain	Pesetas	4,301	4,255	4,114
Sweden	Kr.	616	717	780
Switzerland	Fr.	916	985	990
OTHER THAN EUROPEAN.				
Australia	£'s	58	59	54
Canada	$ (Bank)	193	206	231
,,	,, (State)	269	278	303
Egypt	£'s (E.)	30	34	45
India	Rupees	1,786	1,662	1,576
Japan	Yen	1,232	1,177	1,170
New Zealand	£	8	8	8
United States Fed. Res.	$	2,441	2,934	3,278

BANKERS CLEARING RETURNS (in thousands)

	Nov. 2, 21.	Oct. 26, '21.	Nov. 3, '20.
	£	£	£
Town	674,730	602,870	681,631
Metropolitan	30,096	29,638	38,601
Country	51,483	52,923	72,555
Total	756,309	685,431	792,787
Year to date	29,435,778	28,679,469	33,189,345

LONDON CLEARING BANK FIGURES (in thousands).

	Sept., '21.	Aug., '21.
	£	£
Coin, notes, balances with Bank of England, etc....	254,378	254,379
Deposits	1,806,910	1,814,710
Acceptances	49,986	47,738
Discounts	383,280	397,567
Investments	315,476	322,032
Advances	816,724	804,371

MONEY RATES

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
	%	%	%
Bank Rate	5	5½	7
Do. Federal Reserve N.Y.	4½	5	7
3 Months' Bank Bills ...	3⅝-¾	3½-⅝	6⅝
6 Months' Bank Bills ...	3⅞	3¾-⅞	6¾
Weekly Loans	3½	3¾-4	5½

FOREIGN EXCHANGES
(Telegraphic Transfers.)

	Nov. 3, '21.	Oct. 27, 21.	Nov. 3, '20.
New York, $ to £......	3.92⅝	3.93¼	3.44⅞
Do., 1 month forward	3.93⅛	3.93½	—
Montreal, $ to £	4.27	4.28½	3.80½
Mexico, d. to $...........	33d.	33d.	—
B. Aires, d. to $	44⅝	44½d.	55½d.
Rio de Jan., d. to milrs	7⅞	7⅞d.	$12\frac{5}{16}$d.
Valparaiso, $ to £	35.30	34	9⅞d.
Montevideo, d. to $ ...	40½	40½	57d.
Lima, per Peru £	11½% prem.	12% prem.	—
Paris, frcs. to £	53.40	54.10	55.10
Do., 1 month forwd....	53.43	54.10	—
Berlin, marks to £ ...	835	686	268½
Brussels, frcs. to £ ...	55.00	55.20	52.01
Amsterdam, fl. to £ ...	11.43	11.55	11.33
Switzerland, frcs. to £	21.15	21.60	22.00
Stockholm, kr. to £ ...	17.20	17.09	17.86½
Christiania, kr. to £ ...	28.70	29.90	25.62½
Copenhagen, kr. to £..	21.17	20.50	25.42½
Helsingfors, mks. to £	240	252	154
Italy, lire to £	97½	100	95.30
Madrid, pesetas to £...	29.15	29.64	24.97
Greece, drachma to £	88½	89½	36.12½
Lisbon, escudo d..........	5¼	5¾d.	9¼d.
Vienna, kr. to £	9200	7.800	1,125
Prague, kr. to £	415	380	312½
Bucharest, lei to £	670	573	217
Belgrade, dinars to £...	305	260	—
Sofia, leva to £.........	635	530	—
Warsaw, marks to £...	13,000	18.000	1,125
Constantinople, to £...	760	740	—
Alexandra to £......	97½	97½	97½
Bombay, d. to rupee / Calcutta, d. to rupee	16⅝d.	$16\frac{7}{16}$d.	20d.
Hongkong, d. to rupee	33d.	32¾d.	47½
Shanghai d. to tael ...	46d.	46d.	64d.
Singapore, d. to $ ...	27¾d.	$27\frac{15}{16}$d.	$27\frac{11}{16}$d.
Yokohama, d. to yen ...	29¼d.	29⅛d.	35¼d.

PRICES OF COMMODITIES.

METALS, MINERALS, ETC.

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
Gold, per fine oz.	104s. 10d.	104s. 2d.	119s. 2d.
Silver, per oz.	40½d.	39⅝d.	52⅝d.
Iron, Scotch pig No. 1 per ton	£7	£7	£11.5.0
Steel rails, heavy ,,	£10.10.0	£11	£25
Copper, Standard ,,	£67.2.6	£65.7.6	£91.12.6
Tin, Straits ,,	£159	£159	£264.17.6
Lead, soft foreign ,,	£23.12.6	£24.2.6	£35.17.6
Spelter ,,	£26	£25.15.0	£37.17.6
Coal, best Admiralty ,,	27s. 6d.	28s. 6d.	Nominal.

CHEMICALS AND OILS.

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
Nitrate of Soda, per ton	£14.12.6	£14.13.9	£23.17.6
Indigo, Bengal per lb.	12s. 6d.	11s. 6d.	15s. 6d.
Linseed Oil, spot p. ton	£28.15.0	£29	£66
Linseed, La Plata, shipment per ton	£15.5.0	£15	£31.10.0
Palm Oil, Benin, spot per ton	£32.10.0	£31.10.0	£52.5.0
Petroleum, water white, per gallon	1s. 5d.	1s. 5d.	2s. 4½d.

FOOD.

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
Wheat, English Gaz. Avge. per 480 lbs.	44s. 9d.	47s. 7d.	90s. 6d.
Wheat, No. 2 Red Winter N.Y. p. bush.	112½ cents.	116½c.	236 cents.

TEXTILES, ETC.

Cotton, fully middling, American per lb.	12.65d.	13.01d.	17.58d.
Cotton, Egyptian, FGF. Sakel per lb.	23.50d.	24.50d.	43.00
Hemp, New Zealand, spot per ton	£42.0.0	£42.10.0	£56
Jute, first marks ,,	£29.10.0	£29.10.0	£49
Wool, Australian, med. greasy per lb.	1s. 6d.	1s. 6d.	3s. 0d.
Leather, sole bends 12/14 lbs. per lb.	3s. 4d.	3s. 4d.	3s. 0d.
Rubber, Standard Crepe per lb.	10d.	10½d.	1s. 2d.

UNEMPLOYMENT

	Oct. 21, 1921.	Oct. 14, 1921.	May 27, 1921.	Nov. 26 1920.
Men	1,106,800	1,073,300	1,468,537	378,284
Women ...	228,100	221,300	496,914	103,420
Juveniles ..	88,700	90,200	157,045	42,704
Total ...	1,423,600	1,384,800	2,122,506	524,408

NOTE.—In addition to those on the "live" register of the Labour Exchange, 617,073 persons who are wholly unemployed have exhausted their Unemployment Insurance.

COAL OUTPUT

Week ending:	Oct. 22, 1921. tons.	Oct. 15, 1921. tons.	Oct. 23, 1920. tons.
	4,235,800	4,237,600	12,500
Year to Date	121,938,400	117,702,600	189,073,200

IRON AND STEEL OUTPUT

	1921. Sept. tons.	1921. Aug. tons.	1920. Sept. tons.
Pig Iron	158,300	94,200	741,000
Do., yr. to date	1,829,100	1,660,800	6,005,700
	1921. Sept. tons.	1921. Aug. tons.	1920. Sept. tons.
Steel Ingots and Casting	429,300	434,100	884,700
Do., yr. to date	2,395,600	1,966,300	6,792,300

OVERSEAS TRADE (in thousands)

	nine months 1921. £	1920. £	%
Imports	827,678	1,501,412—	44
Exports	518,661	1,007,278—	48
Re-exports	77,639	180,458—	26
Balance of Imports	231,338	313,676—	56
Export cotton goods, value	113,073	271.679—	58
Export woollen ,, value	42,950	105,644—	59
Export coal value	27,856	78.492—	64
Ditto quantity tons	13,351	19,851—	32
Export machinery value	57,601	42,245+	26
Tonnage entered	27,495	27,022+	1
,, cleared	24,389	27,630—	11

INDEX NUMBERS

Wholesale—(Economist).	Sept. 1921	Aug. 1921	Sept. 1920	July 1914
Cereals and Wheat ...	1,119½	1,184	1,504	579
Other Food Products (Tea, Sugar, etc.) ...	688	716½	928	352
Textiles	1,258	998	2,362½	616½
Minerals	871	920½	1,311	464½
Miscellaneous (Rubber, Timber, etc.)	987½	1,000	1,539½	553
Total	4,924	4,819	7,645	2,565

Retail—(Ministry of Labour)—	Sept. 1921.	Aug. 1921	Sept. 1920.	July. 1914.
Food only	220	225	270	100
All Items*	210	220	261	100

* Food, rent, clothing, fuel, light, etc.

SECURITY PRICES.

BRIT & COLONIAL GOVT

	Nov. 3, '21.	Oct. 27, '21.	Nov. 3, '20.
Consols	48⅞	48⅞	45
War Loan 3½% ...	90⅛	90	82¼
Do. 4½% ...	81	81	76
Do. 5% ...	88¼	87 3/16	82⅞
Do. 4% ...	97¼	97¼	94¼
Funding 4% ...	71⅞	71¾	68½
Victory 4% ...	77⅞	78	73¾
Local Loans 3% ...	52⅞	52⅞	50½
Conversion 3½% ...	62⅝	62 5/16	—
Irish Land 2¾% ...	49	49	45
Bank of England ...	184	184	170½
India 3½% ...	57⅛	57¼	54¼
Birmingham 6% ...	102½	102⅞	99
Liverpool 6% ...	101½	101½	100½

FOREIGN STOCKS

Argentine 5% ...	93½	93¼	90
Belgian 3% ...	60¾	60¾	56½
Brazil 1914 5% ...	61½	61½	61½
Chilian 4½% ...	78½	79	76
Chinese 5% '96	82½	84¼	75½
Egyptian 4% ...	67½	67½	63
French 4% ...	29½	29	38
German 3% ...	2⅝	3 1/16	5½
Greek 4% ...	30	30	40½
Italian 3½% ...	21	21	22½
Japanese 4½% (1st)	109¼	108½	108
,, 4% (1905)	89	89	82¼
Mexican 1899 ...	59	60½	61½
Peruvian Corp. Pref.	15½	15½	26
Russian 5% ...	9	6½	22¼
Spanish 4% ...	70	70	85½

HOME RAILS

Gt. Central Pref. ...	7⅛	7⅛	11¼
Gt. Eastern	24¾	25¼	31¼
Gt. Northern Def. ...	21	22½	29¾
Gt. Western	62¼	63½	80
Lancs and Yorks ...	45¼	45	54¼
Lond. Brighton Def.	34½	35½	44½
Lond. Chatham ...	5	5¼	7¾
L. & N.W.	63¾	65¼	80
L. & S.W. Def. ...	16¼	16¾	22½
Metropolitan	22	23	22
Do. District	16½	16	18½
Midland Def.	36½	37½	51½
North Brit. Def. ...	9½	9½	12½
North Eastern	66¼	67	80¼
South Eastern Def.	19¾	20	29½
Underground "A" ...	5/0	4/6	7/6

FOREIGN & COLONIAL RLYS.

Antofagasta	41	41	64½
Argentine N.E. ...	12	12	23½
B.A. Gt. Southern	48¼	49½	69½
Do. Pacific ...	28¼	29	54½
Do. Western ...	47¼	49½	70
Canadian Pacific ...	144	140½	179
Central Argentine ...	46¼	46½	65½
,, Uruguay ...	34	34	58
Cordoba Central ...	8½	8	17½
Entre Rios	11	10	27
Grand Trunk	1⅛	1¼	4¾
Do. 3rd Pref.	73/0	4	12
Gt. Western Brazil	1¼	1½	3
Leopoldina	16½	16	32
Mexican	12½	12½	18
San Paulo	87	87	131
United of Havana ...	42½	42	75½

INDUSTRIALS, ETC.

Armstrong	16/9	16/0	23/3
Ass. Portland Cement	14/3	11/6	26/9
B.S.A.	7/9	7/3	20/0
Borax Def.	29/6	30/0	34/6
Brit.-Amer. Tobacco	59/0	62/0	72/6
Brunner Mond ...	23/9	20/9	34/0
Coats	45/3	45/9	63/9
Courtauld	33/3	30/6	7 1/16
Dorman Long	15/6	15/6	25/0
Dunlop	7/4½	7/0	28/9
General Electric ...	14/6	15/0	27/6
Hudsons Bay	5 11/16	5⅝	6 9/16
Imp. Tobacco	47/0	47/9	50/3
Lister	15/6	15/3	27/0
Lyons	2 11/16	2⅝	4½
Marconi	1 21/32	1 9/16	2 15/16
Maypole Def.	6/6	6/6	10/3
United Alkali	10/0	12/6	22/6
United Steel	9/9	9/9	17/0
Vickers	12/0	11/3	22/6

SHIPPING.

Cunard	16/0	16/0	26/0
Furness Withy ...	20/6	21/0	30/0
P. & O. Def.	260	335	49/5
Royal Mail	79	80	112½

RUBBER

Anglo-Malay	18/0	18/0	32/6
Cicely	4/1½	4/1½	9/3
Linggi	1 1/16	1 1/16	4½
Rubber Trust	12/6	12/6	22/9
Sialang	17/6	16/3	43/9
Vallambrosa	11/0	11/0	17/3

OIL

Anglo-Persian 2nd Pref.	21/9	21/9	—
Burmah	5⅝	5½	9
Kern River	20/6	20/6	30/9
Lobitos	4⅝	3 13/16	4⅝
Mexican Eagle	3 11/32	3 11/32	12 5/16
North Caucasian ...	12/6	11/3	22/6
Royal Dutch	37	34¾	66½
Shell	4⅝	4½	7 3/16

New Issues

Subscriptions were invited, at 52, for £20,000,000 Local Loans Stock, bearing interest at 3 per cent. per annum, payable quarterly on the 5th January, April, July and October. First dividend is payable on January 5th, at the rate of 4s. per £100. The stock is a British Government obligation and will be popular with those investors who do not object to securities which give the lender no right to claim redemption. The list was promptly closed.

The sale is announced, at 98, of £800,000 8 per cent. Convertible Mortgage Debenture Stock in Thomas De La Rue & Company, Limited, which has a share capital of £2,000,000 in Ordinary Shares of £1, of which 640,000 are issued and fully paid, its authorised "loan capital" consisting of £260,000 4½ per cent. First Mortgage Debenture Stock, and £1,200,000 8 per cent. Convertible Mortgage Debenture Stock. The stock offered is repayable on December 31, 1946, at 105, or earlier by means of a cumulative sinking fund beginning in 1922. The sinking fund will be applied in the purchase of stock at or below 105 per cent. up to and including the year 1927, and thereafter in the purchase of stock or by drawings at 105 per cent. The repayment of capital and the payment of interest and sinking fund will be jointly and severally guaranteed by Charles Goodall & Sons, Ltd., and J. A. Weir, Ltd. The stock will carry with it the right to convert into ordinary shares of the Company on the following basis: Up to and including Dec. 31st, 1925, £112 10s. stock for 100 shares of £1; from Dec. 31st, 1925, to Dec. 31st, 1927, £125 stock for 100 shares. A statement by the Managing Director of the Company informs us that the house of De La Rue was established over a hundred years ago, and from the first was engaged mainly in the engraving and printing of Bank notes, postage and revenue stamps, and from 1855 onwards has executed practically all this work for the Indian Government and from time to time for the whole of the British Empire. It also manufactures playing cards, coloured labels, advertising material, railway tickets, etc., and it owns and manufactures the famous "Onoto" fountain pen. Chas. Goodall & Sons, Ltd., was founded in 1820 and for many years has been the largest manufacturer of playing cards in this country. J. A. Weir, Ltd., paper makers, was established in 1870. The mills are in every way suitable for producing the bulk of the paper, cardboard, etc., required by the combined companies. "By co-ordinating the manufacturing and sales organisations of these companies, their output will be largely increased and savings of some £60,000 per annum effected in overhead and administrative charges alone. The combined organisation will be producing practically the whole of the playing cards manufactured and sold in this country, as there is only a small amount of competition in the cheaper variety imported from America. With regard to the production of paper money, for which class of work Thomas De La Rue & Co., Ltd., are particularly well equipped, I would emphasise that there is no foreign competition in tendering for British Empire contracts." The profits, assets and liabilities of the combined companies are clearly set out, though the profits are shown before allowing for depreciation and taxation. In view of the printing press finance now fashionable the company's established position as a maker of paper-money looks like a favourable point in its prospects. The stock is a high yielding industrial promise to pay, with an option attached which gives its holders a chance of participating in future prosperity, and so may be considered attractive by investors who do not object to a little speculative spice. It ranks behind the existing First Mortgage and there appears to be no provision to secure it against other charges being put in front of it.

Foreign News

Czecho-Slovakia

It is reported that the Czecho-Slovak branches of the Wiener Bankverein are to be transformed into an institution to be called the "Allgemeiner Bankverein Tschechischer Länder," with a capital of 75 million Czech Kronen. The Société Generale de Belgique and the Mahrische Agrar und Indsutriebank are interested in the scheme, part of the shares also being taken up by a Czecho-Slovak group; but the bulk is to remain in the hands of the Wiener Bankverin and its Belgian friends. In granting the concession the Czech Government has stipulated that after a certain number of years at least half of the shares have to pass into Czecho-Slovak hands.

France

According to the *Echo de Paris,* large consignments of German potash are arriving in France and being marketed at 60 francs per ton as against the French price of Frs. 100. Senator Helmer, the Alsace Deputy, is advocating a protective tariff. Commenting on this, the "Frankfurter Zeitung" of October 27 remarks that this disparity of price is not surprising considering that French producers are fixing considerably higher price levels for their Home market than those they are applying in respect of competitive sales abroad.

Germany

The *Frankfurter Zeitung* states that under the auspices of the Berlin Bankers' and Stock Exchange Union a commission has been formed having for its object the strict control of dealings in the Securities Market, and the prevention of dealings in shares in relation to the price of which no justificatory data are available as regards their actual inland value. The Commission, which will be in constant touch with the Bankers' Union, is taking immediate steps to enforce its decisions. The prohibition to export foreign securities will, in all probability, shortly be extended to the export of foreign coupons.

Japan

The September issue of *Eastern Commerce* reports that American dyestuffs are being steadily ousted from the Japanese market by German goods. A Japanese paper has stated that although quotations for German dyes work out at from 10 to 20 per cent. higher, the import of American goods has fallen off and German dye prices have automatically come to be adopted as the basis for home quotations. Japanese paper mills appear to be greatly concerned at the appearance on the market of Finnish and Swedish paper, which is reported to have been acquired on very favourable terms. The Government has been appealed to with a view to intervention on the grounds of dumping.

Poland

The Soviet Representatives in Poland are reported to have placed orders for 13 million metres of cotton and woollen goods with Lodz manufacturers, payment for which is to be effected in American and German currency. Large orders are also reported to have reached Lodz from the Balkans. According to the *Journal de Pologne* of October 20, an active barter trade is being conducted along the Russian and Ukrainian Frontiers; these frontiers are patrolled by a guard, but it would appear that in the absence of any definite treaty, the Polish Authorities are not taking exception to this form of trade. Polish horse dealers are snapping up Russian horses from the starving peasantry at nominal figures (the equivalent of about 30 shillings).

Reviews

Prices and Wages in the United Kingdom, 1914-20. By Arthur L. Bowley, Sc. D., Professor of Statistics, University of London. Humphrey Milford. Clarendon Press. 10s. 6d. net.

THIS is a volume of the British Series of the Economic and Social History of the World War, organised by the Carnegie Endowment for International Peace. Certainly this institution could not find a stronger argument for peace—apart from war's selection of our best lives for slaughter and disablement—than the economic chaos produced by bad war finance in the region of wages and prices—chaos which we have not yet seen the full consequences. Dr. Bowley treats his subject in a manner worthy of his great reputation. As he says, his volume " deals with results, not with causes." He sets out the facts, gleaned with infinite care and labour and leaves them to tell their own story. The book, of course, is for the student and the historian. Invaluable to them it is " caviare to the general." Yet Dr. Bowley writes so well and his mind is so entirely sane and sensible that we cannot help wishing that he would some day give himself a holiday, and the public a most informing lesson, by writing a popular translation of the mass of figures and statistical knowledge that he handles so masterly. At present he gives us four pages of summary and introduction which concludes by saying that " many involved questions have to be settled in political, financial, and industrial spheres, before the world situation is definite and production and distribution stable, and it will be a long time before a steady equilibrium is obtained. Till then it will not be possible to decide how the War ultimately affected the working-class standard of living."

Purse and Politics. By Robert Sencourt. George Allen & Unwin, Ltd. 7s. 6d.

EXCESSIVE Government intensifies the nationalism which breeds war, and war does not pay. This is the burden of Mr. Robert Sencourt's volume, and he devotes the greater part of his space to elaborate condemnation of nationalism and to a strenuous denunciation of the bureaucrats, who are alleged to bolster up nationalism to justify their existence. If continued and emphatic repetition is ultimately to convince the world that war is futile, the book may form a useful contribution towards this end, but one would wish that the plea had been based on higher and broader plane than merely commercial gain. Internationalism seems to be the author's antidote, but his constructive policy lacks the confident note, and one gathers that the whole process of welding the world is to be taken from the control of the bureaucratic permanent official and entrusted to the merchant, who to ensure his profit will see to it that an international free trade millennium is achieved. Democracy is to have no hand or voice in this, and Mr. Sencourt sees cause for regret that State education has enabled the masses to read and consequently to interfere in what he regards as strictly outside their proper sphere. In his preface, the author claims to know Limehouse, Mayfair, Wandsworth and Wimbledon. One wonders how his views would be received in Lancashire and other northern industrial centres. The chapter on Thrift Relief and Hope offers little or nothing towards a solution of the country's financial problem. A repetition of the old platitudes that we must spend less and produce more, and that War Stock is only gilt-edged so far as it is covered by the national income, do not carry us far on the road to financial recovery, and the reader must despair of enlightenment when the author seriously suggests that one of the first important reforms is to cut out public expenditure on education. The book is lucid, and the subject is handled with considerable literary skill, but the whole argument is marred and the final effect spoiled by a too evident partisan spirit.

Dividends

ABERFOYLE SLATE.—5 % for yr. ended 30th Sept., 1921.

AMALGAMATED ZINC.—1s. per share, payable Nov. 24th.

ANDREW KNOWLES & SONS.—Interim 2% Ordinary shares.

BANKERS' INVESTMENT TRUST.—Interim at rate of 4½% on Preferred, and 4% on Deferred.

BORAX CONSD.—Interim 1/0 per shr. on Deferred Ord.

BOWDEN BRAKE.—6% per annum on Preference and Ordinary.

BRISTOL BREWERY, GEORGES & CO.—18% per annum on Ordinary shares for half-year, making 16% for nine months to September 30th.

BRITISH MANNESMANN TUBE.—Interim 4%, free of tax, Ordinary shares. Directors do not anticipate any further dividend for year.

BUCHANAN-DEWAR.—Interim 2s. per share, free of tax on Ordinary.

CANADA IRON FOUNDRIES.—2% on Preference.

CLAYMORE SHIPPING.—At rate of 5 %.

DENT ALLCROFT.—Owing to continued fall in values, necessitating further heavy depreciation of stock directors unable recommend interim dividend on 7½ % Cumulative First Preference.

EAST OF SCOTLAND TRUST.—4% on Ordinary.

EMPRESS BREWERY.—10s. per share on Ordinary.

FULLER'S EARTH UNION.—At rate of 10% per annum on Ordinary for half-year.

GEORGE H. HIRST & CO.—Final on Preferred Ord, of 1s. 6d. per shr. and final on Deferred Ord. of 2s. 4 4/5d. per share.

HORDEN COLLIERIES.—Final 4½%, free of tax, making 8% for one year.

JOSHUA HOYLE & SONS.—Final 1/0 per shr. free of tax, making 12½ %, free of tax.

LAMBERT BROTHERS.—Final 5% on Ordinary, together with bonus 10%.

LEVEY (FREDK.) & SONS.—5% on Ordinary, making 10% for year.

LONDON MARITIME INVESTMENT.—Final on Ordinary of 4%, making 8% for year.

MANSFIELD RAILWAY.—At rate of 2% on Ordinary for half-year.

MATTHEW BROWN.—At rate of 20%, making 15% for year.

METERS LTD.—Interim on Preference at rate of 5½% and on Ordinary at rate of 5%.

MONTEVIDEO TELEPHONE.—Final 5 %, free of tax, making 8 % free of tax.

MITCHELL & MAIL.—Interim 5%, free of tax, on Ordinary.

NATAL-ZULULAND RAILWAY.—1½% on Ordinary, making 2½% for year.

NEW YORK, ONTARIO & WESTERN.—2% on Common.

NANTYGLO & BLAINA IRONWORKS.—£2 per share on account of arrears on Preference.

NIGER CO.—Owing to trade depression directors do not feel justified in declaring divd. on 8 % Cumulative Preference at present.

NORTH OF ENGLAND CINEMAS.—Interim at rate of 10% on Ordinary for half-year.

P. & O. STEAM NAVIGATION.—Final 6%, tax free, on Deferred, making 12% for year ended 30th September, 1921. Year ago final dividend 6% with bonus of 3%, making 15%, tax free, for year, and also bonus of about 6% in Deferred stock.

PORTFIELD STEAMSHIP.—2½%, free of tax.

PRINCE LINE.—10 % free of tax for yr.

REALISATION & DEBENTURE OF SCOTLAND.—25% on Ordinary and 3s. 7 1-5d. per share on Deferred, together with bonus of 1s. per share on both Ordinary and Deferred.

R. E. JONES.—Payments of final dividends on Preference and Ord. are deferred.

RITZ HOTEL (PARIS).—12% on Ordinary, making 15% for year.

ROCHDALE & MANOR BREWERY.—5%, making 8% for year.

SECOND SCOTTISH INVESTMENT.—At rate of 10% on Deferred.

SOUTH AFRICAN & GEN. INVESTMENT.—3% on Ordinary, making 5% for year.

STANTON IRONWORKS.—Interim of 4%, free of tax.

SUTTON HEATH & LEA GREEN COLLIERIES.—At rate of 6% on Ordinary for half-year.

SOUTH INDIAN RAILWAY.—Final of 2½%, making 8% for year.

SOUTH DURHAM STEEL.—10% for year ended September 30th, 1921.

S. & W. BERISFORD.—Final 7½%, making 12½% for year.

TEXAS LAND AND MORTGAGE.—Interim at rate of 10% free of tax for half-yr. to 30th Sept.

TRIUMPH CYCLES.—At rate of 6½% on Preference, less tax and final at rate of 10% on Ordinary, free of tax.

UNITED DAIRIES.—Final on Ordinary at rate of 7½%, actual making 2½% for year, except where otherwise provided by the

YATES & THORN.—5% on Ordinary.

The Subscription List will be closed on or before the 10th day of November, 1921, for Town, and the following day at Noon for the Country.

The permission of the Committee of the Stock Exchange to deal in the Debenture Stock now offered for sale will be applied for, and application for an official quotation be made.

THOMAS DE LA RUE AND COMPANY, LTD.

(Incorporated under the Companies Acts, 1862 to 1893.)

SHARE CAPITAL £2,000,000.

In 2,000,000 Ordinary Shares of £1 each, of which 640,000 Shares are issued and fully paid.

AUTHORISED LOAN CAPITAL.

£260,000 - - 4½ per cent. First Mortgage Debenture Stock.

£1,200,000 - - 8 per cent. Convertible Mortgage Debenture Stock.

OFFER FOR SALE

OF

£800,000 8 per cent. Convertible Mortage Debenture Stock at 98 per cent.

Repayable on the 31st December, 1946, at 105 per cent. or earlier by means of a Cumulative Sinking Fund commencing in 1922. The Sinking Fund will be applied in the purchase of Stock in the open market at or below 105 per cent. up to and including the year 1927, when the conversion rights mentioned below shall have ceased, and thereafter will be applied in the purchase of Stock in the open market or by drawings at 105 per cent.

The Stock, which will form part of an authorised Issue of £1,200,000, will be secured by a Trust Deed constituting a Mortgage on the Freehold and Leasehold Lands and Buildings and other immovable property of the Company, and a floatng charge on its remaining assets subject only to a fixed and floating charge to secure the sum of £260,000 First Debenture Stock of which £216,290 is at present outstanding.

The repayment of Capital and the payment of Interest and Sinking Fund will be jointly and severally guaranteed by Charles Goodall & Sons, Ltd., and J. A. Weir, Ltd., each of which Companies will respectively charge their freehold lands, buildings, and other immovable assets by way of specific charge and their remaining assets by way of floating charge to secure such guarantee.

Power is reserved for the Company to purchase the Stock in open market and to repay at **105** per cent. the whole or part to be selected by drawings by giving six months' notice in writing on any interest date after December, 1927. **The Stock will carry with it the right to convert into Ordinary Shares of the Company on the following basis:—**

Up to and including 31st December, 1925—
£112 10s. Stock for 100 Shares of £1 each.

From 31st December, 1925, to 31st December, 1927—
£125 Stock for 100 Shares of £1 each.

The Trust Deed provides that the balance of £400,000 Debenture Stock which is not entitled to the above Sinking Fund can only be issued for securing loans to or liabilities of the Company, whether absolute or contingent. Part of these will be used in place of certain charges in favour of the Company's Bankers and others referred to in the Accountants' Certificate.

THE BRITISH FOREIGN & COLONIAL CORPORATION, LIMITED,

B.F.C. House, Gresham St., London, E C.2

will receive applications for the purchase from them of the above £800,000 Debenture Stock through their Bankers.

LONDON, JOINT CITY & MIDLAND BANK, LIMITED,

Threadneedle St., E.C.2, and Branches,

at the price of **98 per cent.,** payable as follows:— **10 per cent on Application; 40 per cent on Acceptance; 48 per cent on 15th December, 1921.**

Interest will be payable half-yearly, 1st January and 1st July. £1 5s. (less income tax) per £100 Debenture Stock will be paid on the 1st January, 1922, in respect of interest to that date.

Yield £8 : 3 : 3 per cent., without profit on redemption.

The following is taken from a letter from Mr. A. G. Gronow, Managing Director of Thomas De La Rue and Co., Ltd., addressed to the British, Foreign and Colonial Corporation, Ltd., dated 22nd October, 1921:—

The object of the issue is to provide the purchase price for acquiring the whole of the Share Capital in the old-established business of Charles Goodall & Sons, Limited, playing card manufacturers and stationers, and all the Ordinary Shares of J. A. Weir, Limited, the proprietors of the well-known paper mills at Kilbagie, Scotland.

The House of DE LA RUE was established over a hundred years ago, and from the first was engaged mainly in the engraving and printing of Bank Notes, Postage and Revenue Stamps, and from 1855 onwards has executed practically all of this work for the Indian Government and from time to time for the whole of the British Empire. To-day the Company also manufactures playing cards, coloured labels, advertising material, railway tickets, etc., and it owns and manufactures the famous "Onoto" Fountain Pen. The Company's Freehold and Leasehold works, which are amongst the most important in the United Kingdom, and situated in Bunhill Row, London, E.C., are equipped with every modern convenience and the latest types of printing machinery. The Company has Branches in Paris and New York, and selling Agencies in all important centres of the world.

CHAS. GOODALL & SONS, LIMITED, was founded in 1820 and from small beginnings its trade in the famous "Goodall Playing Cards" developed throughout the world. Its Works are modern and well equipped and there is ample room for expansion. For many years this Company has been the largest manufacturer of Playing Cards in this country.

J. A. WEIR, LIMITED, Paper Makers, was establihsed in 1870, and owns two Paper Mills in Scotland of the most modern type, producing the highest grade of paper. The freehold sites occupy 52½ acres, with valuable water rights, and the Mills are in every way suitable for producing the bulk of the paper, cardboard, etc., required by the combined Companies.

I have made a careful study of the plant and works of Thomas De La Rue & Co. ,Limited, Goodall's and Weir, and have no hesitation in saying that their equipment is in almost every case up-to-date, and that a considerable portion of the machinery is of a special type which shows a distinct advance on anything procurable on the market by competitors. By co-ordinating the manufacturing and sales organisations of these Companies, their output will be largely increased and savings of some £60,000 per annum effected in overhead and administrative charges alone.

The combined organisation will be producing practically the whole of the Playing Cards manufactured and sold in this country, as there is only a small amount of competition in the cheaper variety imported from America.

With regard to the production of paper money, for which class of work Thomas De La Rue & Co., Ltd., are particularly well equipped, I would emphasise that there is no foreign competition in tendering for British Empire contracts.

The purchase price payable by De La Rue's for the whole of the Share Capital in Chas. Goodall & Sons, Limited, and for all the Ordinary Shares in J. A. Weir, Limited, is respectively £201,050 and £394,000 in cash.

As shown by the Accountants' Certificate, the surplus assets over liabilities of the combined Companies is £1,800,952, to which has to be added the proceeds of the present Issue of Debenture Stock, less the purchase price of the Shares of Goodall's and Weir's. After making these adjustments the surplus assets will amount to £1,925,902, showing the present Offer of Debenture Stock covered nearly two-and-a-half times, without placing any value on the goodwill—which is considerable in view of the age and standing of the Companies.

The average yearly profits of the combined undertakings over the last five years, as shown by the Accountants' Certificate, amounted to £196,771 13s. 4d., sufficient to cover the interest on the £800,000 Debenture Stock nearly three times, but I have no hesitation in saying that as a result of the unified control of the three businesses, and after putting into execution the various economies now contemplated, these profits ought to be doubled within the next few years.

The normal Pre-War rate of profit from De La Rue's business alone was about £100,000 per annum, the average for the last 30 years being over £95,000.

The Company should also derive considerable advantage from the working arrangement, based on interchange of work it has entered into with Warrillows, Limited, which has extensive works in Birmingham and carries on a business similar and in many respects complementary to De La Rue's

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The Full Text of the above-mentioned letter from Mr. A. G. Gronow, as well as the Chartered Accountants' Certificate, and the valuation of Mr. Robert H. Ruddock, together with full particulars of the Offer for Sale, and Forms of Application may be obtained from:—

THE BANKERS, THE ISSUING HOUSE, OR THE BROKERS:

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